



Utah Transit Authority

Current, Emerging and Future Opportunities and Challenges

Transportation Interim Committee --- 18 June 2014

UTA: 2013 Accomplishments



- 44 Million Boardings
- \$6.7 Million Under Budget
- 70 Miles of Rail Built in 5 Years
- \$300 Million Under Budget & 2 Years Ahead of Schedule
- 103% FrontRunner Ridership Increase

UTA: *Green Fleet*



- 24 New CNG Buses
- 32 Hybrid-Electric buses
- 224 Clean Diesel Buses
- Last Mile Partnerships:
 - GREENBike
 - Enterprise CarShare

UTA: *Air Quality*



- 120,000 car trips eliminated daily
- 850,000 Vehicle Miles Traveled saved daily
- 2,000 tons of criteria emissions eliminated annually

UTA: Governance & Accountability



- 16 member Board of Trustees
- Appointed by:
 - Governor (1)
 - Speaker of the House (1)
 - President of the Senate (1)
 - UDOT Commission (1)
 - Weber County (1)
 - Davis County (1)
 - Salt Lake County (5)
 - Utah County (2)
 - Salt Lake City (1)
 - Tooele/Grantsville/Brigham City/Perry/Willard (1)

Utah Transit Authority Board of Trustees



Gregory Hughes
Chairman



H. David Burton
Vice Chair



Justin Allen



Keith Bartholomew



Christopher R. Bleak



Necia Christensen



Larry Ellertson



Jeff Hawker



Charles Henderson



Robert A. Hunter



Dannie R. McConkie



Robert W. McKinley



P. Bret Milburn



Michael E. Romero



Chris Sloan

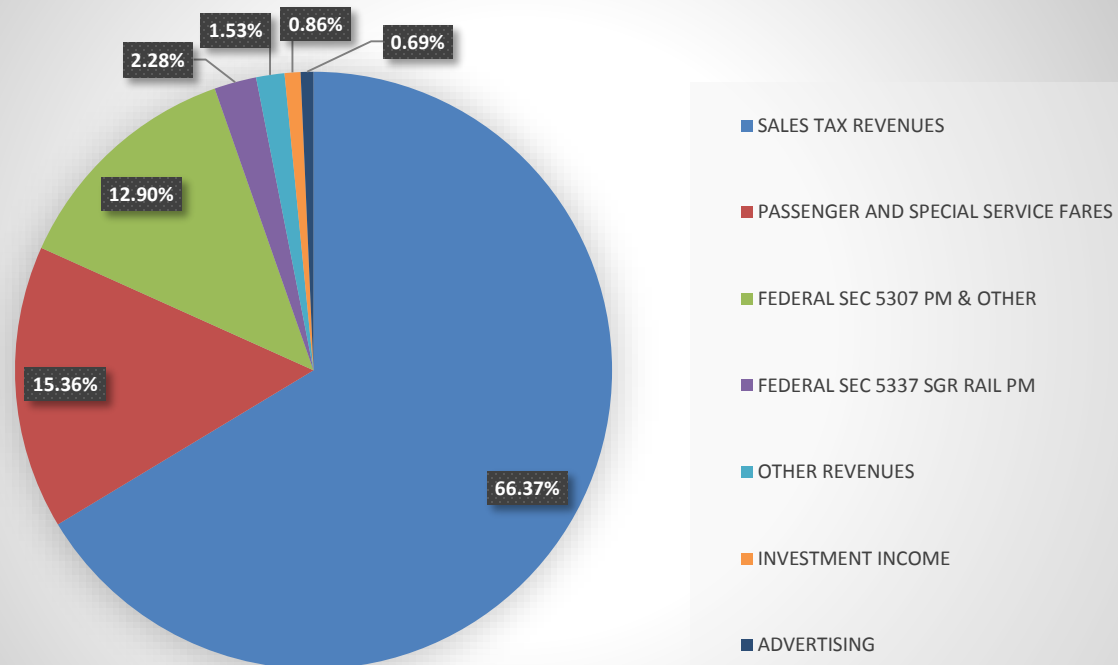


Troy Walker

UTA: Revenues



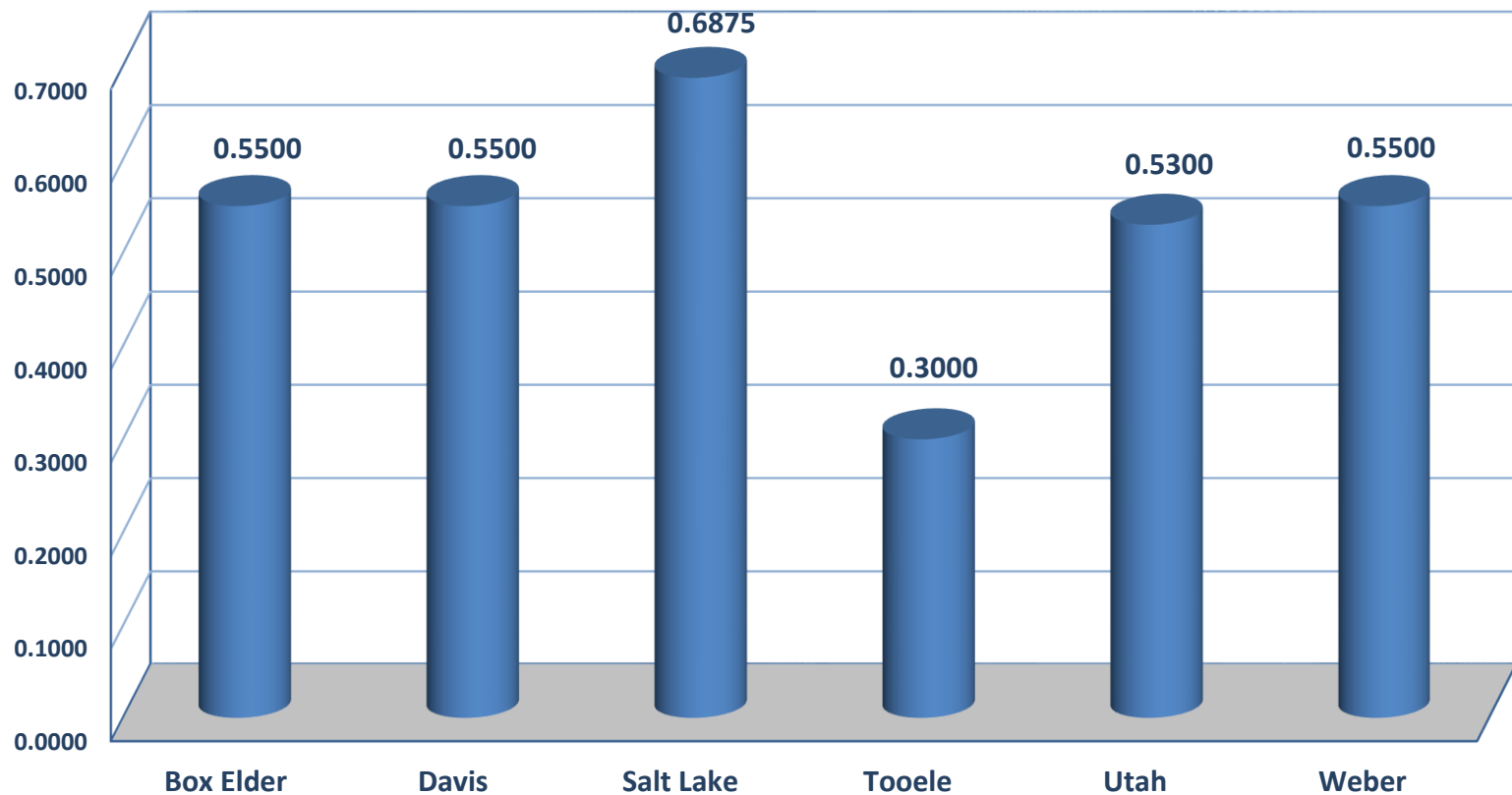
2013 Budgeted Operating Revenues



UTA: *Funding Rates by County*



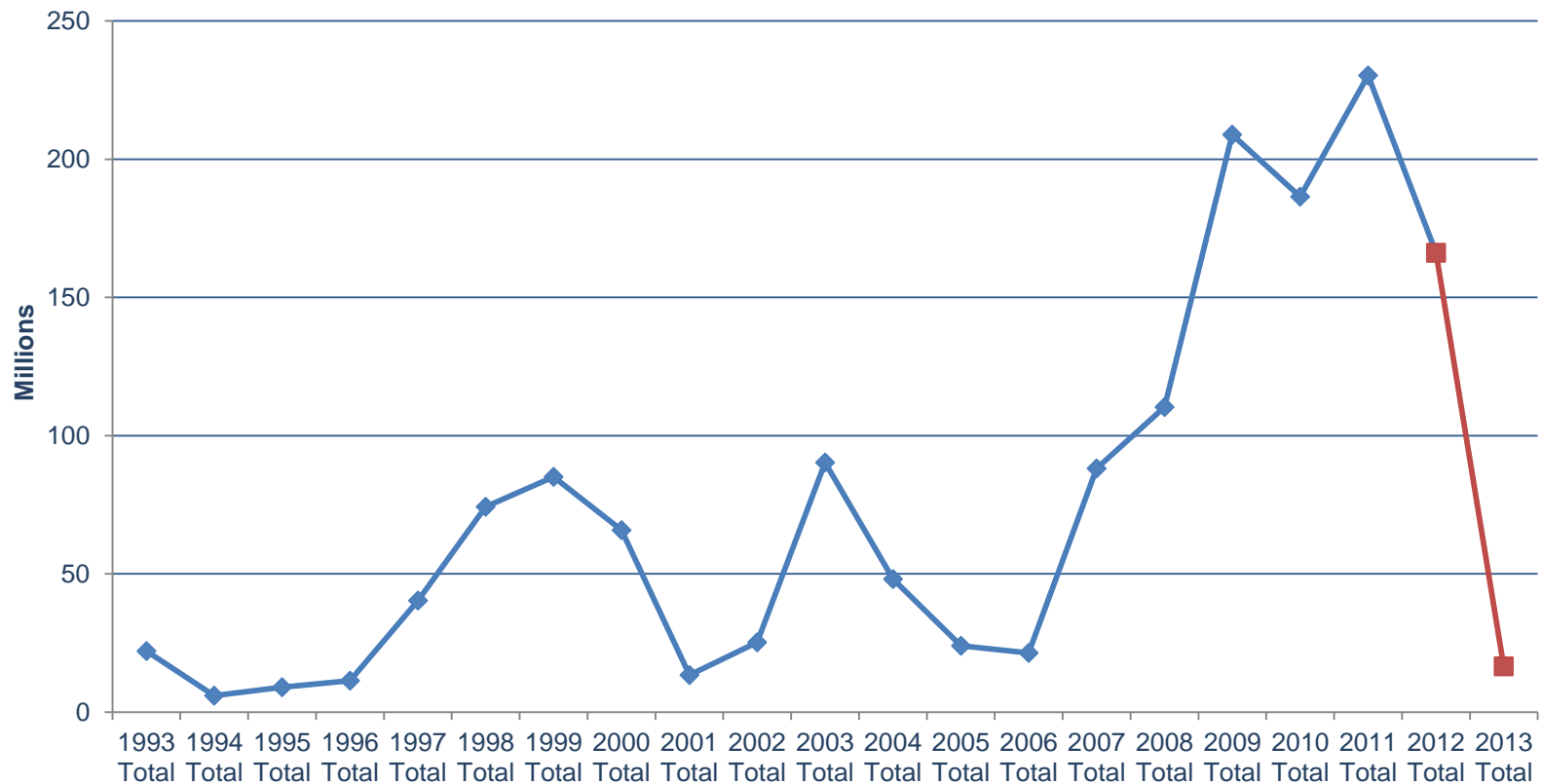
Transit Sales Tax Rates by County



UTA: *Federal Discretionary Funding*



UTA Annual Discretionary Grant Funding



UTA: *Fare Box Revenue*



Fare Box Revenue



Transit Funding: Future Local & Regional Sources



Research Report

Report Number 713, March 2013

FUELING OUR FUTURE, 2013-2040: POLICY OPTIONS TO ADDRESS UTAH'S FUTURE TRANSPORTATION NEEDS

HIGHLIGHTS

- According to the Unified Transportation Plan, Utah's priority transportation needs by 2040 will total approximately \$54.7 billion, while current funding sources will amount to \$43.4 billion.
- Fuel taxes are a convenient source for transportation funds, but fixed rates lose purchasing power over time due to inflation and increasing vehicle efficiency. Inflation losses can be avoided by indexing rates for inflation or regular increases. Fuel tax increases could garner \$3-\$7 billion in additional revenue over 30 years (in 2010 dollars), depending on how they are implemented.
- Applying the state sales tax to fuel could generate \$10-\$20 billion in additional revenue over 30 years, depending on how fuel prices change and how the tax is levied. This would be more volatile than cents-per-gallon fuel taxes, because revenue would vary with changes in fuel prices.
- Transit funding options include: increasing transit sales taxes by 0.25% percent across the UTA service area (\$3.8 billion), a 1% increase in hotel taxes (\$139 million), a 1% increase in the rental car tax (\$71 million), or the enactment of a transit property tax of 0.1% across counties in the UTA service area (\$5.8 billion).
- Some states have implemented pilot programs to test whether a vehicle miles traveled tax would be beneficial. A mileage tax would more directly tax wear and tear on roads without losing ground to increased vehicle efficiency. Such a tax could replace current fuel taxes and produce up to \$6 billion in additional revenue over 30 years.

The mission of Utah Foundation is to promote a thriving economy, a well-prepared workforce, and a high quality of life for Utahns by performing thorough, well-supported research that helps policymakers, business and community leaders, and citizens better understand complex issues and providing practical, well-reasoned recommendations for policy change.

Daniel T. Harbeck, Chairman
Jeffrey K. Larsen, Vice Chairman
Bryson Garbett, Treasurer
Stephen J. Harshay Kroos, President
Morgan Lyon Cotti, Ph.D., Research Director
10 West Broadway, Suite 307
Salt Lake City, UT 84101
(801) 355-1400 • www.utahfoundation.org

Funding Utah's transportation needs is a significant economic and fiscal challenge for state policymakers. Over the next three decades, Utah's population is set to increase by over 60% from 2.8 million to 4.5 million.¹ Coupled with this significant growth is the possibility of an increase in vehicle miles traveled. For example, from 1990 to 2010, vehicle miles traveled outpaced the population increase by 18%.² In order to manage these increases, Utah's transportation infrastructure will require considerable attention and investment.

While in the past the state relied on the Transportation Fund to support transportation projects, this has changed within the last two decades. In 1997, the Utah State Legislature created the Centennial Highway Fund, opening the door to use significant amounts of sales tax revenue from the General Fund for transportation. The use of non-traditional funding sources outside of the Transportation Fund provides a strong example of the state's challenges in adequately funding transportation. Despite the addition of these funding sources, funds will not be sufficient to meet population, highway and transit growth. This situation is further compounded by the decline in revenue from food sales tax revenue, as well as the 2007-2009 recession.

The context of the federal fiscal situation and availability of federal funds must also be considered. This is in addition to challenges faced by cities and counties, as transit is funded mainly by local option sales taxes and rider fares. According to the Unified Transportation Plan, Utah's transportation needs by 2040 will total approximately \$54.7 billion, while current funding sources will amount to \$43.4 billion. Although the Unified Transportation Plan shows needs of \$70 billion over the period, transportation planning officials state that \$54.7 billion is the currently accepted goal for high-priority projects, leaving a fiscal shortfall of roughly \$11.3 billion in unfunded projects.³ Generating sufficient future funding through additional revenues will be needed to meet the plan.

This research provides information on potential funding sources that may be considered as policy makers formulate funding options to meet Utah's near-term and long-term highway and transit needs. Many of the revenues described in this report are currently utilized in other states, at the federal level, or even in other countries. Some are adaptations of

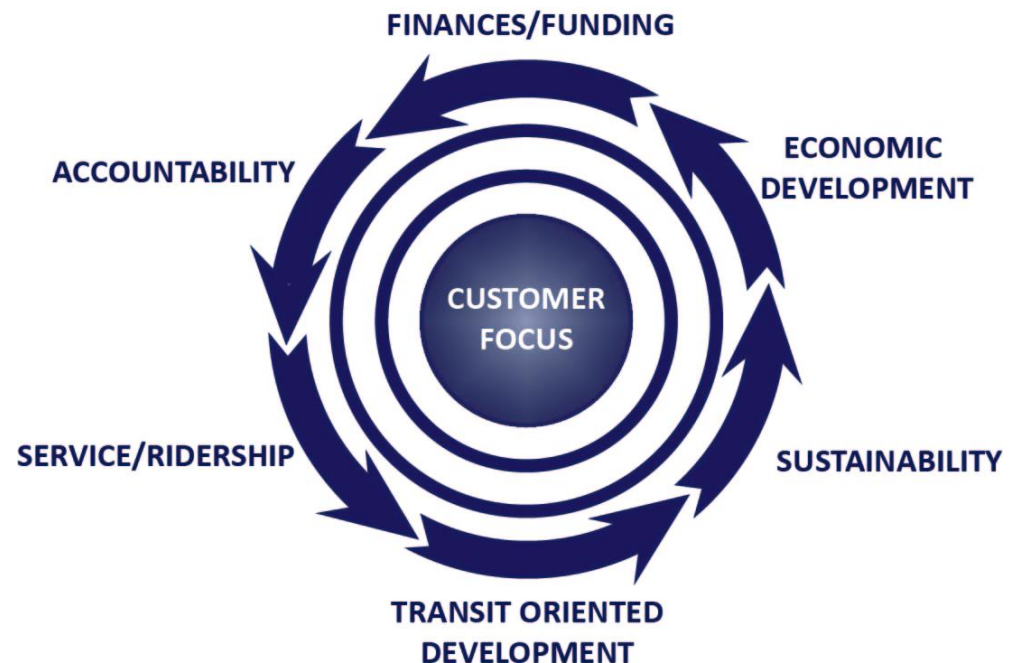
Figure 7: Funding Options

- State Motor and Special Fuel Excise Tax
 - Increase Motor Fuel Tax CPG
 - Index Motor and Special Fuel Tax to CPI
 - Index Motor Fuel Tax to Infrastructure Costs
 - Index Motor Fuel Tax to the Price of Gasoline
 - Sales Sales Tax on Fuel
 - Including the current excise taxes
 - Excluding the current excise taxes
- Other State Options
 - Severance and Refinery Taxes
 - Increase Motor Vehicle Registration Fees
 - State Financing Mechanisms
- Funding Options from the Local or Regional Levels
 - Increase Local Option Sales Tax for Transit
 - Implement a Local Sales Tax on Fuel
 - Increase Local Taxes and Fees
 - Increase Transit Rider Fares
 - Increase in County Transient Room Tax
 - Increase Taxes on Vehicle Rentals
 - Enact a Transit Property Tax
- Other Local or Regional Options
- Funding Options from the Federal Level
 - Vehicle Miles Traveled Tax
 - Congestion Pricing
 - Public Private Partnerships

UTA's 2020 Strategic Plan



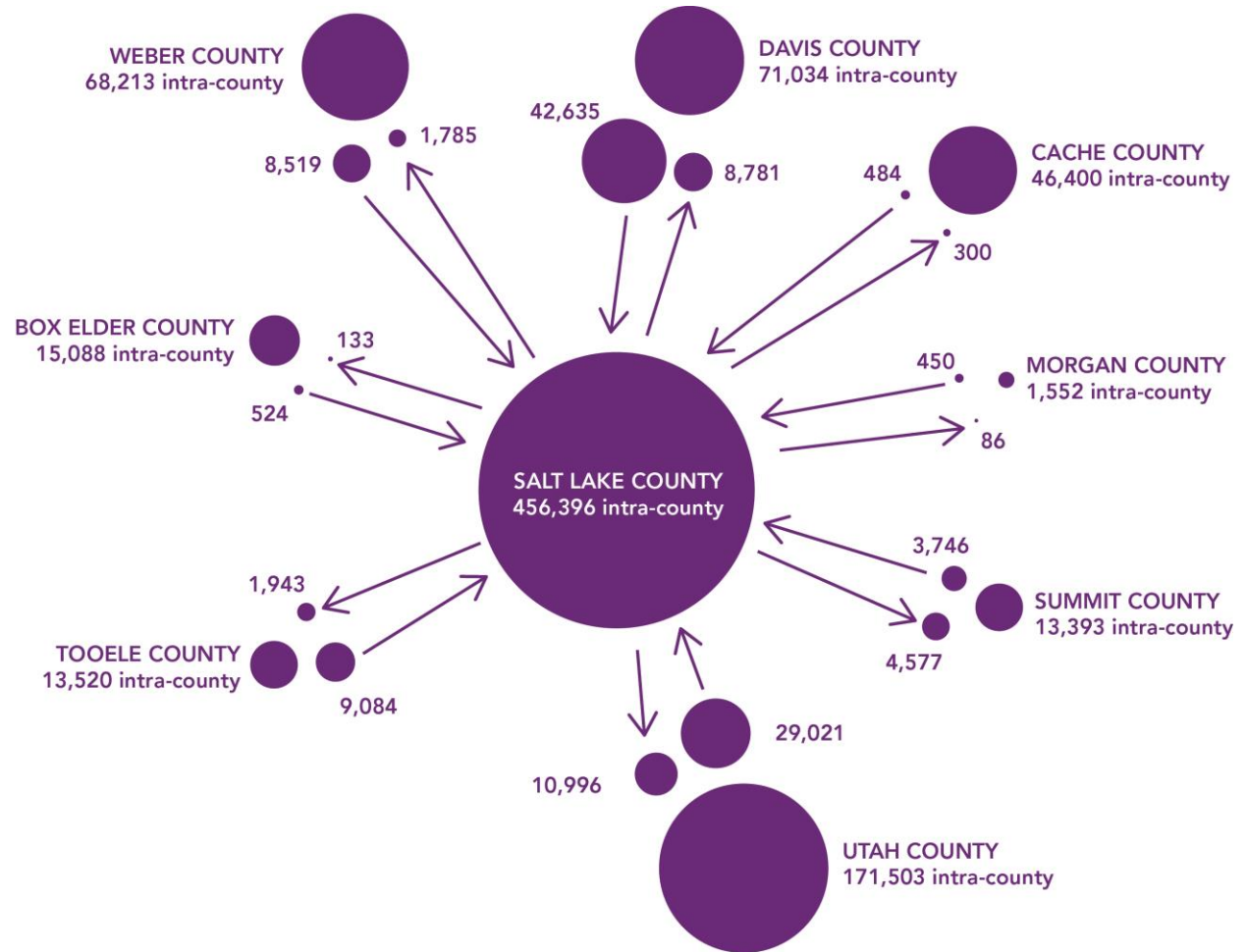
A blueprint for UTA's future, the 2020 Strategic Plan was developed with extensive input from key stakeholder groups, local elected officials, business leaders, rider advocates, and UTA employees.



Regional Transit Perspective: Counties are Interconnected



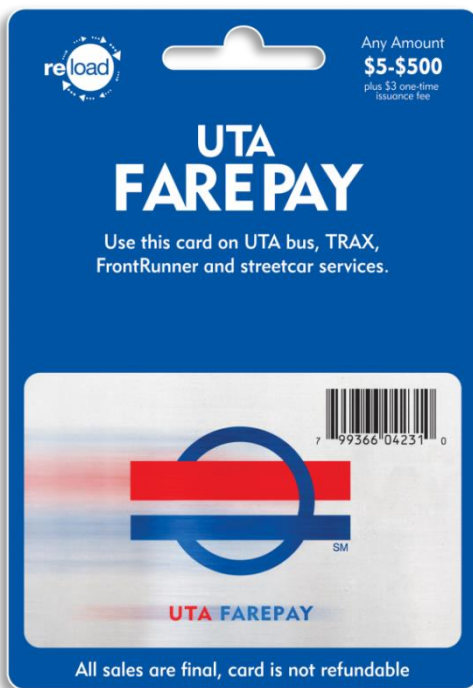
- Residence to Workplace Trips by County (ALL TRIPS)
- Source: 2006-2010 American Community Survey (ACS)- Journey to Work Survey Data



Customer Focus



UTA will work to understand what its customers want and need, and respond accordingly.

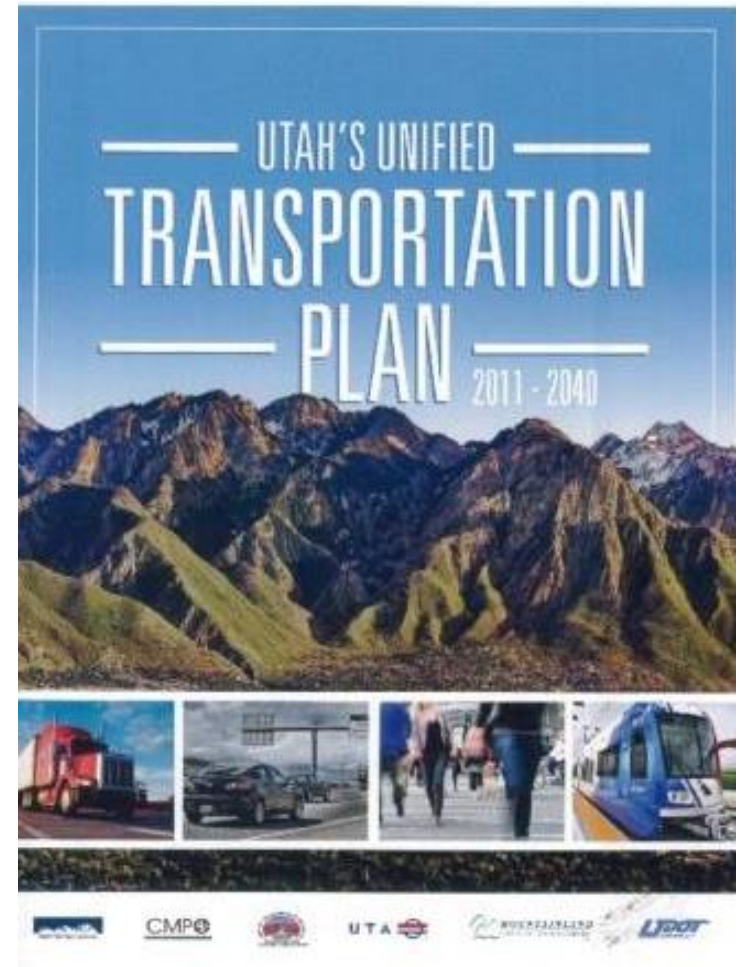


Finances/Funding



UTA will make responsible and strategic financial decisions.

- Make effective use of the resources it currently has
- Retire long-term debt ahead of schedule
- Support full funding of Utah's Unified Transportation Plan
 - 1/3, 1/3, 1/3 funding



Ridership and Service



UTA will provide high quality, cost-efficient transit service to the communities it serves.

- Markets
 - Find and attract new markets for ridership
 - Attract new businesses to Utah
- Service
 - Increase levels of service by 50 percent
 - Develop new fare products and equitable fare policies
 - Develop a fully integrated first/last mile strategy



Ridership and Service



- Benefits
 - Double ridership through full funding of the Unified Plan
 - Reduce the average customer trip time by 25 percent
 - Mode split
 - Improved air quality
 - Reduced congestion
 - Energy independence



Sustainability



UTA will strengthen its commitment to sustainability as a core value.

- Support clean air initiatives
- Operate a balanced fleet of alternative fuel vehicles
- Use alternative energy sources
- Encourage active transportation
- Fully fund a “State of Good Repair” program
- Smart land use

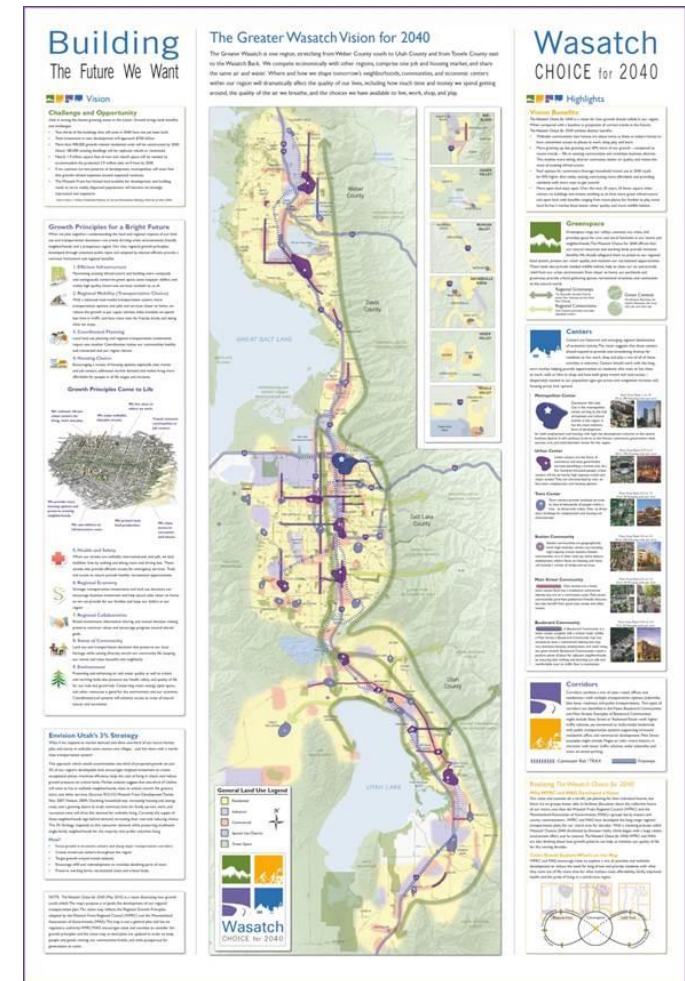


Transit-Oriented Development



UTA will pursue an ambitious transit-oriented development program

- Support Wasatch Choice for 2040
- Partner with communities and external stakeholders on UTA station area planning processes
- Public-private partnerships to leverage UTA assets in order to generate more transit service



Economic Development



UTA supports and participates in economic development initiatives throughout the region.

- Current investments contributed \$6-8 billion
- Corporate partnerships supporting sustainable transportation initiatives
- Partner with state tourism agencies
- Connect with the “global” transportation network
- Promote transit infrastructure to attract new companies
- Promote the economic benefits of transit



Accountability



UTA will maintain an open and transparent dialogue with its stakeholders.

- Governance
- Transparency
- Audits
- Outreach



Our Challenge...



- Expanded network of high-quality, high-frequency regional transit
- Increased service frequency, including defined bus routes that are protected from service cuts (“core network”)
- Increased frequency and decreased travel time on FrontRunner
- Fast, direct transit connections between FrontRunner stations and employment centers (i.e. Circulators)
- Better active transportation accessibility to transit
- Housing and employment options located near transit
- Clean Air
- Funding additional service



Thank you

David Kallas

Utah Transit Authority

Senior Advisor

801-310-0038

dkallas@rideuta.com

Matt Sibul

Utah Transit Authority

Chief Planning Officer

801-649-7308

msibul@rideuta.com